

# HOUSE BILL No. 1250

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-47.

**Synopsis:** Abandoned homestead property taxation. Allows a county or city fiscal body to adopt an ordinance to grant an assessed value property tax deduction for abandoned homesteads that become owner occupied by a military veteran, member of the military, public safety officer, or licensed teacher. Provides that the deduction may be for up to 10 years and at percentages specified in the fiscal body's ordinance. Permits the fiscal body to establish additional criteria for a homestead to be eligible for the deduction. Requires an application process and an annual filing by the property owner. Allows the department of local government finance to adopt rules to implement the deduction.

**Effective:** July 1, 2015.

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**Moed, Zent, Price, Shackelford**

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January 13, 2015, read first time and referred to Committee on Ways and Means.

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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## HOUSE BILL No. 1250

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 6-1.1-12-47 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2015]: **Sec. 47. (a) The following definitions apply throughout**  
4 **this section:**  
5       (1) "Abandoned homestead" is a property determined to be  
6 abandoned by a local government hearing authority or a  
7 court.  
8       (2) "Eligible abandoned homestead" is an abandoned  
9 homestead having the characteristics necessary to be eligible  
10 for the deduction provided by this section, as specified in the  
11 ordinance adopted under this section.  
12       (3) "Executive" has the meaning set forth in IC 36-1-2-5.  
13       (4) "Fiscal body" has the meaning set forth in IC 36-1-2-6.  
14       (5) "Hearing authority" has the meaning set forth in  
15 IC 36-7-9-2.



(6) "Homestead" means a homestead eligible for a credit under IC 6-1.1-20.6-7.5 that limits the taxpayer's property tax liability for the property to one percent (1%).

(7) "Qualified owner" means an individual who:

(A) served in the armed forces of the United States and was discharged under conditions other than dishonorable;

(B) is a member of the military or a public safety officer, as defined in IC 10-14-2-5; or

(C) is a teacher who holds a license or permit from the division of professional standards of the department of education under IC 20-28.

(b) A county or city fiscal body may adopt an ordinance to provide an assessed value deduction for eligible abandoned homesteads that become and remain owner occupied by a qualified owner. An eligible abandoned homestead must be owner occupied for the time specified in the ordinance under subsection (c) in order for the property owner to receive the deduction. A county's ordinance applies only to homesteads not located within a city.

(c) The department of local government finance shall prescribe the form for the ordinance under this section. The ordinance must specify:

(1) that the homestead must be owner occupied for at least ten (10) months of each year for which the deduction is claimed;

(2) that the owner must be a qualified owner;

(3) any additional characteristics necessary and criteria that must be met for a homestead to qualify as an eligible abandoned homestead;

(4) the number of years for which an eligible abandoned homestead is entitled to a deduction under this section, not to exceed ten (10) years; and

(5) the percentage, or a schedule of percentages, to be used in calculating the deduction under this section for each year the property owner is entitled to the deduction, subject to the restriction that the deduction percentage for each year in the schedule may not exceed eighty percent (80%) of the assessed value of the homestead for which the deduction is approved.

The fiscal body shall send a certified copy of the ordinance to the department of local government finance and to the county auditor.

(d) A property owner of an eligible abandoned homestead who wishes to obtain the deduction under this section must file an application with the county or city hearing authority, or, in a county or city not having a hearing authority, with the executive of



the county or city. The property owner must file the application before September 1 of the year the property owner wishes to obtain the deduction. The department of local government finance shall prescribe the form for the application. The application must include at least the following information:

- (1) A description of the eligible abandoned homestead.
- (2) An agreement by the property owner that the property owner will occupy the eligible abandoned homestead if the deduction application is approved.
- (3) A verification signed by the property owner that the property owner is a qualified owner.

An application is a public record that may be inspected and copied under IC 5-14-3.

(e) The hearing authority, or executive, must review each application that is timely submitted for a year under this section. Before October 31 of that year, the hearing authority, or executive, shall determine whether a deduction should be allowed for an eligible abandoned homestead and approve or deny the deduction. A property owner may appeal a determination of the hearing authority, or executive, by requesting in writing a preliminary conference with the property tax assessment board of appeals not more than thirty (30) days after the notice of the determination. An appeal under this subsection shall be processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

(f) If a property owner receives approval of the deduction for an eligible abandoned homestead for a year, the property owner must file the approved application with the county auditor on or before January 5 of the immediately succeeding calendar year.

(g) Except as otherwise provided in this section, if a property owner's deduction for an eligible abandoned homestead is approved and timely filed with the county auditor, the property owner is entitled to a deduction from the assessed value of the homestead. The property owner is entitled to the deduction:

- (1) for the year in which the property owner's deduction is approved; and
- (2) for subsequent years as provided in the ordinance as long as the homestead remains qualified under the ordinance adopted under this section.

(h) The amount of the deduction a property owner is entitled to receive under this section for a particular year equals the product of:



- 1 (1) the assessed value of the homestead; multiplied by
- 2 (2) the percentage for the applicable year as set forth in the
- 3 ordinance adopted under this section.

4 (i) The amount of the deduction determined under this section  
 5 shall be adjusted in accordance with this subsection in the  
 6 following circumstances:

7 (1) If:

8 (A) a general reassessment of real property under  
 9 IC 6-1.1-4-4; or

10 (B) a reassessment under a county's reassessment plan  
 11 prepared under IC 6-1.1-4-4.2;

12 occurs within the period of the deduction, the amount of the  
 13 assessed value determined under subsection (h)(1) shall be  
 14 adjusted to reflect the percentage increase or decrease in  
 15 assessed valuation that resulted from the reassessment.

16 (2) If an appeal of an assessment is approved and results in a  
 17 reduction of the assessed value of the property, the amount of  
 18 a deduction under this section shall be adjusted to reflect the  
 19 percentage decrease that resulted from the appeal.

20 (j) The amount and period of the deduction are not affected by  
 21 a change in the ownership of the homestead, if the new property  
 22 owner files an application setting forth the updated information  
 23 with the hearing authority, or executive, and the county auditor,  
 24 and the new property owner is a qualified owner.

25 (k) The county auditor may request that the county assessor  
 26 review a property owner's deduction application and inspect each  
 27 year a homestead granted a deduction for compliance with the  
 28 ordinance adopted under this section.

29 (l) A property owner who has an eligible abandoned homestead  
 30 approved for a deduction under this section must provide the  
 31 hearing authority, or executive, and the county auditor with  
 32 information showing the extent to which there has been compliance  
 33 with the owner occupancy requirements of this section. This  
 34 information must be updated before May 15 of each year in which  
 35 the deduction is applicable.

36 (m) The department of local government finance may adopt  
 37 rules under IC 4-22-2 to implement this section.

